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EFFECTS OF THE ECONOMIC CRISIS ON TAX ADMINISTRATIONS IN AFRICAN COUNTRIES; CAMEROON EXPERIENCE

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INTRODUCTION

The economic crisis that has been affecting African countries for a decade now, has been felt sharply in Cameroon ever since the 1985/1986 financial year. At the beginning of the 1980s, Cameroon's economy recorded sustained growth owing, generally, to the good prices paid for its main export crops and to a special fillip from the oil sector. During the same period, Cameroon recorded a high growth rate estimated at 8% per year in real terms as well as a comfortable economic performance based on annual growth rates which stood at 7% for investments, 16% for exports and 3% for consumption. These rates were among the highest. This tremendous growth enabled Cameroon to carry out major development projects and to make significant efforts to improve the people's well-being. Within this context, the taxation system in force was applied, harmoniously, to economic activities and revenue generated by the growth.

As from 1985/1986, world economic upheavals, due to the slump in world prices of the major export products such as oil, coffee, cocoa, cotton, have led to a drastic drop in national financial resources. This caused serious economic imbalances which resulted in a shortfall of 14% in the GNP in 1986/1987. The overall loss incurred from 1985/1986 to 1989/1990 was estimated at CFA francs 924,000 million. This loss was accompanied by the worsening trade terms which affected the import/export balance of goods and services, thereby exerting an adverse impact on State revenue, households and enterprises.

Against this background, Government undertook, as from the 1987/1988 financial year, reforms to reduce the State's lifestyle. At its request, the international financial community came in to support the reforms. A confirmation agreement was thus concluded with the International Monetary Fund in September 1988, and this was followed by the rescheduling of its external debts by the Paris Club. A structural adjustment programme, supported by the World Bank and the African Development Bank, was also adopted. A second confirmation agreement is in the process of being signed with the IMF, following its approval of Cameroon's letter of intent.

Indeed, the already undertaken or planned structural reforms affect almost all sectors of activities, but then more emphasis has been laid on certain aspects of the programme: streamlining of public finances, rehabilitation of enterprises, recovery of economic activities. The streamlining of public finances and the recovery of economic activities fall, more particularly, within the ambit of the tax administration. The objective to increase public resources in order to cover controlled and stabilized public spending and to give a fresh thrust to economic activities, has led the Government to look for an appropriate taxation system which combines budgetary measures and tax incentives towards economic recovery. These missions which, at first glance, seem contradictory and which have been pursued since the 1988/89 financial year,

require, for their full success, support and the restructuring of tax administrations in order to ensure better economic performance.

I. BUDGETARY MEASURES.

Adapting the tax system to the persistent crisis has led to the adoption of budgetary measures. The aim was not to change the taxation system or the structure of existing taxes. Rather, instead of creating new taxes which could further worsen an already tense situation, Government decided to effect changes designed to increase non-petroleum revenue. intensify their collection and fight against fraud and tax evasion.

A. Increase in non-petroleum tax revenue

The objective to increase tax revenue falls within the dual effort to increase and widen the tax fabric.

1. Assessment of potential tax payers

A given amount of tax revenue can only be expected when there is a relatively precise idea about the number of taxpayers, the taxable product and the paying capacity of every person. This information can only be got through an assessment of tax payers. The empirical method, used in the past, to collect poll tax is no longer efficient today. The door-to-door assessment of tax payers is also tedious and uncertain. The responsibility to collect taxes may greatly outweigh the expected results, moreso as the survey plan of the country is still under preparation. There are attempts to harmonize the present methods to identify taxpayers through the use of the National Social Insurance Fund number, the taxpayer's number, business registration number, importer's number,etc.... The objective is to establish a single identifying method which guarantees optimum assessment of taxpayers.

But then, this method presupposes that all the taxpayers are found in the formal sector which, unfortunately, is not always the case. Due to the crisis, most of them resort to the subterranean economy.

2. Tax base broadening

Broadening of the tax base completes and corrects certain deficiencies in the assessment of taxpayers. It should be understood as the systematic search for the assessed or unassessed taxable product. The objective here is to forage in the non-tax paying areas for potential taxpayers who may be hiding there. A good number of them living in these areas have not been assessed. One of the measures taken by the Tax Department is to spot out the businesses as they are being set up and to establish corresponding business licences (small concerns, games....). Generally, this category of taxpayers is found in the non-structured sector, also known as the informal sector. Business licences have been established in such a way that each activity,no

matter its size, is levied a tax. What remains now is to ensure that each person involved in a business pays the corresponding tax. It is not easy to assess the very mobile illicit street vendors.

Broadening the tax bracket also means a reduction in tax exemptions granted. These exemptions are granted by law. The relating provisions are provided for in the General Tax Code and the Investment Code. But then, there are internal and external constraints to the reduction of their scope of application.

The internal constraints result from the attitude of taxpayers who, because they are used to exemptions, and, above all, to deviations caused by the tax system applied to public tenders, exert pressure so as to preserve their advantages. When bilateral or multilateral funding agencies provide in loan agreements that loans are not meant to finance taxes, successful bidders interpret this to mean that tenders are tax free, and hence exempt them not only from the payment of budgeted taxes stipulated by the funding bodies (internal turnover tax, customs duties on equipment and materials) but also from income tax levied on them as a result of profits accruing from the execution of tenders. The tax administration is striving to limit exemptions only to those taxes that influence market prices with the exception of income taxes.

External constraints, on the other hand, are inherent in our membership of the Customs and Economic Union of Central African States (UDEAC) which compels us to apply the harmonized tax system. Act 13/65/UDEAC/35 of the Union provides the list of customs duties exemptions. Cameroon can not, unilaterally, decide to review these exemptions. However, measures have been taken with the Union's highest authorities to cause the revision of this Act.

B. Improvement in tax collection

Tax base operations have just been intensified. But then, huge tax issues that have not been collected in the same proportions do not increase revenue. That is why bolder measures have been taken to improve tax collection. As a general rule, taxes are collected by way of roll. However, certain taxes are either deducted at source or paid voluntarily. Those deducted at source are the pay-as-you-earn tax, and the real estate capital tax defrayed when dividends, interests and royalties are paid. Taxes paid voluntarily by the taxpayer without waiting for regularization are the tax on industrial and commercial profits (TICP), company tax and the internal turnover tax (ITT). Despite the fact that these measures have been firmly established, Government has deemed it necessary to introduce other taxes in order to regularly fill State coffers and to spot out certain taxpayers.

1. Comprehensive business licence

The comprehensive business licence has been existing for long. It simplifies the payment of taxes by small businesses as it combines certain taxes amongst which are the TICP fixed sum and the ITT fixed sum. It is paid in full for concerns whose turnover does not exceed CFA francs 10,000,000 for trade and 5,000,000 for non-commercial profits (NCP). Above these

amounts, the taxpayers are expected to negotiate their fixed sum when their turnover does not exceed 60,000,000 for traders and 20,000,000 for non-commercial professions.

The recently adopted measures to improve the collection process covers the TICP fixed sum on business licence paid by taxpayers whose turnover reaches the limit of the estimated sum. But then, this licence is not paid in full. The taxpayers in question are expected to fill tax returns. The tax paid on the licence is deducted from the tax due. This also applies to the ITT fixed sum on passenger buses and taxis, especially, if the objective elements make it possible to establish a turnover more substantial than that used in determining the fixed sum.

2. 1% purchase tax

The one percent tax on purchases is not a new tax. It is an advance payment on income tax. Indeed, it is a payment on tax meant to ensure that money enters the Treasury on a regular basis. As a matter of fact, it is paid on all purchases as the economic activities progress. These purchases are resold purchases such as those made from industrialists, importers, wholesalers, forest exploiters. Purchases made by the State, public communities and persons living abroad are exempted from this tax. Also exempted are purchases meant for final consumption.

This measure, during the 1990/91 financial year, brought in 2,562,290,756 francs. Its low output is due to its new and experimental nature, and implementation difficulties. It should be mentioned, under these difficulties, that if persons legally liable to pay taxes, deduct the tax when purchases are made and pay it to the treasury as required, taxpayers who are expected to defray the deducted amounts, consider it as a tax to be recovered and included in their prices even though the law forbids it. Information seminars have been organized to redress the situation.

On the other hand, this measure was meant to flush out delinquent taxpayers hiding in the informal sector, and to discourage those who consider themselves exempted from declaring their income. Everyone could recover the levy, provided he declares his income. It has not yet been established that tax declarations have increased as a result of this measure. However, the measure is potentially profitable.

1. 20% deduction on rents.

The tax fraud committed by most landlords is responsible for the 20% reduction on rents, besides the objective to improve the collection process. This deduction is operated on all types of rents, for instance, the hiring of buildings, industrial and commercial facilities, staff and goods....The measure has angered certain taxpayers flushed out as well as those who feel they are exempted in various capacities even though the law has only exempted rents owed the State and public communities. Rents must be paid by independent persons since they are used to deducting and paying in the tax using the information form on employed staff (DIPE). Salaried

employees can not therefore deduct this tax on rents they pay to their landlords. In 1990/1991, this measure brought in CFA francs 1,342,304,396.

Combatting fraud and tax evasion.

The constant search to increase tax revenue calls for a strict control of tax declarations filled out by taxpayers. Tax fraud like tax evasion, defeats the principle of fair assessment. Causes of fraud are found not only in the deliberate intentions of certain dubious taxpayers but also in the complexity of tax documents. Thus, for the past three years, the tax office has tried, better than before, to simplify taxpayers' obligations, to clarify tax texts and to step up controls.

1. Simplification of taxpayers' obligations.

The ring of basic objectives that any good tax system must pursue and which according to Adam Smith includes : justice (so as to ensure fair assessment), certainty (in a bid to avoid arbitrary tax establishment), economy (so as to obtain a high output at the least cost), convenience (in order to simplify taxpayers' obligations), reveals that most of the tax fraud and evasion stem from the non-simplification of taxpayers' obligations. The more a text is unclear, the more it lends itself to confusion, and the more obligations imposed on the taxpayers, the higher the chances for fraud. The recent finance laws have made several amendments to the General Tax Code. The aim is to reduce taxpayers' obligations. The latest, i.e. the 1990/1991 finance law, exempted enterprises from paying taxes on small equipment and tools costing less than CFA francs 200,000 previously immobilized and written off.

2. Clarification of texts.

Combatting tax evasion requires that tax texts be clarified so as to avoid confusion in their interpretation. Circulars have been issued in this respect. This is in addition to answers to written questions from taxpayers. But the most important work was done through legislative provisions. The 1991/1992 finance law has, recently, further clarified the method of assessment based on external signs of wealth. This measure dates as far back as 1975, but owing to its imprecision, it has not been possible so far to apply it to taxpayers whose lifestyle is out of proportion with their declared income. From now on, in order to effectively combat fraud by such taxpayers, the legislator has provided the tax office with reference elements and an appropriate scale meant to establish the automatic taxation provided for in this area.

3. Control

The repressive stage of fraud and tax evasion consists in controlling tax declarations. Each year, a verification programme is established to check, on the basis of documents or on the spot, taxpayers approved per sector of activity. Since the auditing of accounts often entails a high output, it deters taxpayers who are, normally, very careful, except when they aim to exploit a deficient law or to experiment a new type of fraud. Government has set up a National Company

Auditing Brigade comprising 30 auditors, and provincial brigades of auditors established according to the tax- paying strength of each province. A National Service Control Brigade corrects the omissions and errors made by the service. This arsenal of measures and the use of these resources obviously prevent and repress fraud and also positively contribute to increase tax revenue.

II. ECONOMIC RECOVERY INCENTIVES.

The structural adjustment programme first seeks to stabilize public finances by reducing public spending and increasing public funds, and then to revamp economic activities. In this respect, the role of the Tax Administration is not limited to building up domestic savings, mobilized to promote the approved programme of activities, but also and above all, to provide incentives expected to revitalize economic activities. Legislative provisions have been taken to provide the country with an appropriate Investment Code, thereby completing the General Tax Code which was, itself, adapted, in some of its provisions, by the recent finance laws.

Investment Code.

The new Investment Code was promulgated by Ordinance No.90/007 of 8 November, 1990. It meets Cameroon's current economic context since it provides incentives and also guarantees the State minimum tax revenue.

1. General presentation

The objective of the new Investment Code is to encourage and promote productive investments in Cameroon. Indeed, it seeks to encourage and develop economic activities geared towards priority development of natural resources, the creation of new jobs, the production of competitive goods and services for domestic consumption and export and increased exportation of manufactured products; the transfer and adoption of appropriate technology; environmental protection and improvement of the quality of life in the rural and urban areas.

It comprises five special schedules:

- for the creation of new enterprises:

  (a) the basic schedule
  (b) the small-and medium-sized enterprises schedule
  (c) the strategic enterprises schedule

- for the creation of exclusively export-oriented enterprises: the export processing zone schedule

- for the existing operating enterprises: the reinvestment schedule.

2. Incentives.

Incentives are granted depending on the special schedule requested and the set objectives.

(a) Promotion of exports.

In order to promote exports out of the free trade zone, enterprises whose finished or semi-finished products are manufactured in Cameroon for export, are exempted from export duty, insurance and transport tax on these products. Furthermore, any properly established enterprise that exports part or all of its industrial products, is granted export incentives in the form of a reduction in its taxable income of a non-continuable amount equal to 5% of FOB value of exports of finished and semi-finished products.

Enterprises that fall under the industrial estate schedule are exempted from duties and taxes on imports and exports and are governed by a special schedule, particularly, as concerns the taxation of their profits and expatriate salaried employees. This incentive is meant to increase investments and net external assets through increased exports.

(b) Development of domestic natural resources.

With regard to the development of domestic natural resources, the use of local inputs in the production process is exempted from duties and taxes on such inputs. They are, however, subject to customs duties and taxes when they are imported.

3. Guaranteed tax revenue.

The objective of the new Investment Code is to reduce tax exemptions and to limit them in time. Previously, approval under one of the Code's schedules entailed an automatic approval under a special production schedule that provides exemption from duties and taxes on raw materials and packaging used, be they imported or bought locally. Today, a 15% import duty is levied on imported raw materials and packaging. The duration for limiting exemptions in time has been reduced. But the more important innovation is the establishment stage which lasts for three to five years. However, the enterprise cautions that if commitments made are not fulfilled, the previously exempted duties would be repeated.

B. General Tax Code.

Measures taken to revamp economic activities in the various finance laws starting as from 1989/90 financial year, seek to attract new investments in the production sector. Indeed, they are meant to encourage economic operators to inject fresh funds into the economy either by creating new enterprises, buying up rehabilitated enterprises or by reinvesting profits made.

Other additional measures taken are designed to remove certain obstacles to the investment process.

A. Encouraging new investments.

Three major measures have been taken to encourage new investments, namely, measures in favour of new enterprises, measures to facilitate the repurchase of enterprises facing difficulties and the revision of the system of reinvesting profits.

1. Measures in favour of new enterprises.

Enterprises set up within the stabilization plan, and other new enterprises, benefit from measures adopted in favour of new enterprises provided for in the 1989/90 and 1990/91 financial years.

(a) Enterprises created within the stabilization plan.

These are new enterprises established from 1 July 1989 to 30 June 1993. The new enterprise must carry out a new economic activity. Here, the new economic activity should mean an activity that had not existed before as well as the extension of a current programme. Such an activity should be in the industrial, agricultural, forest or mining sectors.The newness of investments is appreciated in relation to the date of the use and not in relation to the first registration of fixed investment as property of the enterprise. Finally, the minimum volume of investments has been established at CFA francs twenty-five (25) million.

Advantages granted include a 50% tax reduction on declared profits during the first three years of activity, and an exceptional redemption of fixed assets. In this respect, a coefficient from 1.5 to 2, depending on the case, is applied to the legal fixed investment redemption rate during the first three years of activity.

(b) Other new enterprises.

Generally, with the exception of consultancies and public works enterprises, any new enterprise is exempted from paying the minimum 1% turnover tax due as company tax or the income tax of individuals (TICP, AP ,NCP). The 1990/ 1991 finance law reduced this minimum payment by 50% for the third and fourth financial years whereas the enterprise is expected to pay it at the rate of 1%. This also applies to the fixed minimum tax of CFA francs 600,000 plus a surtax, expected to be paid by any company or community levied a company tax, whether it is exempted or not from paying the minimum tax. Its amount is reduced by half from the first to fourth year.

1. Rehabilitation of enterprises facing difficulties.

An enterprise facing difficulties, refers to any enterprise that has lost two-thirds of its registered capital. Individual and corporate bodies that buy up such enterprises in the industrial,

agricultural, forest or mining sectors, between 1 July 1989 and 30 June 1991, are granted special tax benefits

(a) Repurchase conditions.

The enterprise facing difficulties must have existed for at least five years. Its rehabilitation must be through within 12 months following the repurchase option. The buyer must present a rehabilitation plan specifying: how the operation is to be financed; an estimated operational account; the set objectives as well as their accomplishment time-limit; a regular and complete account; the complete list of future de jure or de facto managers as well as that of persons who have held similar posts in the company facing difficulties during the five years preceding the rehabilitation process.

(b) Granted tax benefits.

The new assets of repurchased enterprises benefit from an exceptional redemption; they are redeemed at a legal coefficient rate of from 1.5 to 2 depending on the case. A 50% tax reduction on declared profits is granted for the three years following the repurchase.

3. Tax relief on reinvested profits

The General Tax Code has provisions on the reinvestment of profits. These measures which were more restrictive before the 1990/1991 finance law, did not grant treasury preferential rights in the event of reinvestment. The new provisions grant a net gain in tax, through a tax reduction equal to 50% of the declared profit, on the basis of 50% of the reinvestment made.

The amount to be reinvested should not be lower than five million CFA francs. Furthermore, it is no longer necessary to wait for the authorization of the Minister of Finance before reinvesting. Once the reinvestment has been made, the economic operator deducts the tax, and later requests the Director of Taxes to regularize his situation when he declares his income.

III. RESTRUCTURING OF TAX ADMINISTRATIONS.

All tax policies implemented so as to combat the economic crisis, and to revamp economic activities, can only succeed when there is a good tax administration. Indeed, an efficient administration succeeds in its assigned mission when it has the means and the will. Computerized tax management designed to increase efficiency and output, constitutes the main objective of the restructuring of the tax administration by the public authorities.

A. Reorganization of tax administrations

Tax administrations in Cameroon fall under several departments, some times under several ministries. The Departments of Taxation and Registration, Stamp Duty and Trusteeship

fall under the Ministry of Finance while the Departments of Surveys and Customs fall under the Ministry of Town Planning and Housing. Due to the economic crisis, these various services have just been restructured in a bid to integrate them or to ensure greater cooperation amongst them.

1. Merger of the Departments of Taxation and Registration.

The Department of Taxation and the Department of Registration, Stamp Duty and Trusteeship were merged by the decree of 18 December 1991. Thus,this is a recent development. It should be pointed out that these two Departments had similar structures, hence there was duplication at all levels: officials performing the same functions; many taxpayers' files treated at tax base services; discordant tax policies. Today, not only has a single leadership been established but also, a single file has been open for each taxpayer. This thus eliminates administrative bottlenecks in the event of checks, and dispersed information on taxation.

Revision of the organization chart of the new Department of Taxation has also made it possible to better accomplish the mission assigned to taxation. The structures are more efficient within blocs of authority, thereby giving more responsibility to those in charge. The tax office has now been given more powers. Henceforth, it collects certain indirect or voluntarily paid taxes. With regard to career profile, the new organization chart provides more incentives to employees who can now make a career either within a specialized bloc (tax base services, services control corps, enterprises control corps, legislation and litigation services) or from one bloc to another. Such incentives were absent in the previously established organization charts.

2. Cooperation with other tax administrations.

The Departments of Customs and Survey are still attached to the Ministry of Town Planning and Housing. However, they cooperate closely with the Department of Taxation in order to ensure an efficient tax management. The management of land certificates by the Department of Lands has now been computerized. Registration services can access it to cross-check and to search for deficiencies in real estate transfers. The cadastral plan of the main towns is being finalized. One of the objectives of this plan is to establish a tax map in order to ensure a better location of persons and goods. Structurally, a real estate taxation Sub-Division has just been created in the new organization chart of the Taxation Department to coordinate,inter alia, the activities of the various tax administrations. With respect to the taxation of forest activities, the Taxation Department assists the Forestry Department attached to the Ministry of Agriculture, to revise, on the initiative of the World Bank, the tax system applied to forests and fishing.

3. PAAFIC support

The Cameroon Financial Administrations Support Project (PAAFIC) was initiated by French Cooperation in Cameroon. It falls within the structural adjustment programme

implemented by Cameroon authorities to combat the economic and financial crisis. Its aim is to contribute to restore the major macro-economic balances. This programme requires some restructuring, some aspects of which have been undertaken while others are in progress.

(a) Achievements

Since the objective is to adapt the financial apparatus to the current constraints and to establish the streamlining of the State's financial accounts on sound and solid bases, promoters of the project have carried out auditing missions on the functioning of Cameroon's financial services. Their recommendations have been taken into account to a large extent, and this has led to the restructuring of the Ministry of Finance, particularly, the Treasury, Customs and Taxation Departments. The services have been organized at the statutory level. What remains now is to appoint the right men to have them start functioning.

Procedurally, each Department has its own internal procedures. The various Departments of the Ministry of Finance also hold coordination meetings. This means that vertical and horizontal coordination will have to be improved according to the project recommendations, so as to end the malfunctioning noticed.

(b) Current achievements

Conversely, the improvement module for human and material resources management is being realized. It was noticed that certain sectors were over-staffed and others understaffed. Optimum management of the staff has been undertaken by the Ministry of Public Service and State Control which seeks to ensure a better geographical distribution of the staff, and to make an exhaustive inventory of jobs and qualifications before the recommended retrenchments are carried out. Staff training remains a current objective i.e. the initial training of operational staff (categories C and D) since they are not trained, continuous training of senior staff, and the training of trainers. As regards the Taxation Department, the new structure improves the method of training. But then, technical assistance is still necessary for the training of trainers, especially, following the establishment of the value added tax (VAT).

The financial component is also being realized. The report revealed that the financial services lacked material means. The services should be equipped so as to bring the administration closer to the taxpayer. The patrol boats acquired provide the Customs services with an efficient means to combat smuggling. The geographical establishment of taxation centres in Yaounde and Douala, the extension of the TRINITY project in Douala, the purchase of cars for the Chiefs of Divisional Taxation Centres for a better control of their tax territory, caused the allocation of funds to the Taxation Department. Generally, funds mobilized as the project progresses cover service needs in furniture, administrative supplies, computers, service equipment, repairs and renovation of buildings, staff training, and support mission to the project.

B. Computerized tax management

The mechanized management of taxes dates as far back as 1966. Index cards established manually by the tax base services are put on diskette at the Department of Taxation and sent to CENADI, the body charged with computerized management, for the publication of rolls, notifications and reimbursement advice. This system which has been responsible for the late publication of notifications, and tax collections, as well as the many errors noticed, has just been replaced by a more efficient system i.e. the computerized processing of State duties and taxes (TRINITY).

The TRINITY project is an integrated project that merges the new Taxation Department and the Treasury Department. The main objective of this merger is to increase tax revenue by simplifying work, reducing fraud and improving the quantity and quality of the control of enterprises and services.

1. Simplification of work.

The computer does the simple jobs, thereby freeing employees from repetitive and routine operations. The payment of taxes, the application of penalties, the publication of follow-up letters, payment certificates (licences, taxation advice) as well as refunds, rolls and various quietuses, are now on handled by the computer. The central and provincial services are informed of the activities and output of the decentralized units through a direct link. At the moment, this is the case with the Centre Province in Yaounde and, soon, the same will apply to the Littoral Province in Douala. The other provinces are waiting to be hooked up with TRINITY.

2. Follow-up of taxpayers

It will soon be possible to manage all taxpayers in an exhaustive manner. The principle of a single identifying method has been adopted since the taxpayer's number given by the Taxation Department is valid for all commercial and civil transactions carried out by the taxpayer (real estate transfer, purchases from enterprises with computerized services, importation, settlement and payment of bills by the Ministry of Finance,...) The single identifying method makes it possible to keep one account for each taxpayer showing his tax debts, his successive payments and all information gathered on him. But the administrations concerned have not yet agreed on the date this identifying method should effectively start to apply.

3. Effectiveness.

The time between tax issue and collection has now been shortened. Previously, the preparation of index cards for tax reports, data capture on diskette, the publication of rolls, their certification and the dispatch of notifications to taxpayers took two or more years. It was usually noticed at the time taxes were due, that either the taxpayer or the taxable product was reported missing, hence the huge amounts to be collected. Today, the processing of tax returns leads to

the immediate publication of the taxation advice which usually mentions when taxes are due. Even voluntary payments are subject to the issue of a receipt. After payment, the computer issues a receipt, thereby ending the practice of parallel receipt issues which is inimical to the Treasury. Finally, the TRINITY system is able to sort out the accounts audit files by classifying the enterprises according to the sector of activity, turnover or declared profits.

CONCLUSION.

Cameroon's tax administrations have been adapted to the economic crisis besetting the country since 1985/1986. During 1987/1988, serious reflection and efforts led to the adoption of a national recovery plan to combat the economic crisis. The international financial community and bilateral cooperation which have appreciated these efforts, have given financial support to this plan in order to restore the macro-economic balances and to put a further spin on economic growth. The restructuring of the whole economic apparatus, was also extended to the tax administrations which have been requested to increase tax revenue and provide tax incentives in view of economic recovery. The challenge will be met insafar as the international community still has confidence in Cameroon.

The PAAFIC project has come to support the efforts and sacrifices made by Cameroonians, for it should be underscored that tax administrations can only achieve their objectives when they have the means. As a matter of fact, the project proposes structural reforms and makes available to the financial administrations, the funding needed to endow them with the means. The structural adjustment programme, financing of the social dimension of adjustment and bilateral financial assistance, including PAAFIC, are efficient cooperation instruments for combatting the economic crisis and for adapting the tax system to its assigned mission within this programme.